

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

MEETING OF THE
UNDERGROUND STORAGE TANK POLICY COMMISSION

Phoenix, Arizona
January 25, 2006
9:00 a.m.

Location: 1110 W. Washington
Room 250
Phoenix, Arizona

REPORTED BY:
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25	250 at ADEQ located at 1110 W. Washington	
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1 COMMITTEE MEMBERS PRESENT:

2

3 Gail Clement, Chairperson

4 Hal Gill, Vice-Chair

5 Philip McNeely

6 Michael O'Hara

7 Karen Gaylord, Esq.

8 Barbara Pashkowski, Esq.

9 Cynthia Campbell, Esq.

10 Myron Smith

11 Andrea Martincic

12 Theresa Foster

13 Jon Findley

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1 P R O C E E D I N G S

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3 CHAIRPERSON CLEMENT: Good morning, everybody.
4 Welcome to the January 25th, not 26th, 2006, UST Policy
5 Commission meeting. And happy New Year, and we're going
6 to start this year off on the right foot. We have almost
7 a full Commission here today.

8 So if I could start the roll call with Myron.

9 MR. SMITH: Myron Smith.

10 MS. CAMPBELL: Cynthia Campbell.

11 MS. PASHKOWSKI: Barb Pashkowski.

12 MR. MC NEELY: Phillip McNeely.

13 MR. GILL: Hal Gill.

14 CHAIRPERSON CLEMENT: Gail Clement.

15 MS. MARTINCIC: Andrea Martincic.

16 MR. O'HARA: Mike O'Hara.

17 MS. GAYLORD: Karen Gaylord.

18 MS. FOSTER: Theresa Foster.

19 CHAIRPERSON CLEMENT: Great. Jon did say in an
20 e-mail that he was coming, so maybe he is just running a
21 little bit late. The traffic was pretty bad on the roads
22 this morning.

23 Did everybody receive the October 2005 meeting
24 minutes?

25 Okay. Can we go ahead and -- are there any

1 comments or is there a motion to approve those minutes?

2 MS. MARTINCIC: I will.

3 MR. SMITH: I will second it.

4 CHAIRPERSON CLEMENT: All in favor?

5 (Chorus of ayes.)

6 CHAIRPERSON CLEMENT: All opposed? No one.

7 Okay. Did everyone receive the November 2005
8 meeting minutes? And I frankly did not receive them until
9 I got in this morning, and I have not had a chance to
10 review them, so if we can hold that agenda item until next
11 time. And they may have been distributed, but we had some
12 problems with my e-mail.

13 Then let's just move to -- Mr. McNeely is going
14 to provide us some updates regarding the rule packages
15 that will be affecting the UST program.

16 MR. MC NEELY: Thank you. I am Phil McNeely.
17 And the rule update -- I hate to start off on the first
18 one, but on the SAF rules, we did submit those to the
19 Governor's Regulatory Review Counsel on Monday, the 23rd.
20 Our goal is to get it on their GRRC meeting on March 7th,
21 so we met the deadline for that. They have until
22 February 15th to review it and have any comments, then we
23 have to respond to those comments, so at that point, once
24 they actually approve the package and put it on the
25 agenda, then I will try to e-mail it to everybody.

1 We did make --

2 MS. MARTINCIC: Phil, so, are you saying that it
3 would go up for a hearing at GRRRC March 7th is what you
4 are expecting?

5 MR. MC NEELY: Right. That's when the hearing
6 date -- if the GRRRC staff feels like it is complete.

7 MS. MARTINCIC: It gets approved by the 15th?

8 MR. MC NEELY: Right.

9 MS. MARTINCIC: So the earliest one would be the
10 7th?

11 MR. MC NEELY: Right, the 7th.

12 We did make some changes to it. In the preamble
13 you will see where we actually changed it. The
14 significant changes were wording to the BTR statute and
15 the volunteer about assigning payments. Those are two
16 significant changes. There are other minor changes.

17 Going on to the Draft Soil Remediation Levels
18 Rule, we are writing the preamble for that. We don't plan
19 on having any informal meetings, any additional informal
20 meetings. We're trying to get that probably proposed
21 sometime in March. And then that will go through the
22 formal process. If you do the time line, it takes -- we
23 will probably have a 45-day public commentary. We will
24 probably have a couple of hearing dates, and then by the
25 time we do the preamble for that, it will probably be some

1 time in the fall for final notes. That's still probably
2 eight months away.

3 The Draft Special Waste Rule, we had
4 representatives of the waste programs go to Hal Gill's
5 Technical Subcommittee meeting in December to explain any
6 changes in their interpretation of what they are doing.
7 They are still working on that. There are a lot of other
8 issues, not really UST-related, but it's handling special
9 waste for shredders fluff, and they're going to have to
10 negotiate that with stakeholders probably for the next
11 couple of months. Those rules are still ongoing.

12 CHAIRPERSON CLEMENT: One minute. Just for the
13 record, Mr. Jon Findley joined the Policy Commission
14 meeting, and I want to thank everyone for being here. We
15 now have a full Policy Commission membership meeting.
16 Thank you everybody. Sorry.

17 MR. MC NEELY: You are welcome.

18 The last one, D, the General Air Permit, it's
19 actually not a rule, they're just redoing the General Air
20 Permit. Once they get that done, they will put it out for
21 public comment.

22 They actually came to Hal Gill's meeting also,
23 and they explained what they are trying to do. There are
24 some issues with -- they have a carbon canisters section
25 in there, and they were limiting the use of the carbon

1 canisters to a flow rate, and I think we talked them into
2 changing that into an influent concentration and maintain
3 it. As long as you are within the manufacturer's specs,
4 you can use whatever flow it is. So, I think they are
5 going to change that, but they are still working on that.

6 Also, I think they are going to add in some VOC
7 monitoring because they said you could use it for
8 chlorinated VOCs, but then they didn't really have any
9 chlorinated VOCs monitoring requirements. They are
10 looking at that also. That should go up for public
11 comment in the next few weeks. That's it for my rule
12 discussion.

13 CHAIRPERSON CLEMENT: Any questions for Phil?

14 MS. MARTINCIC: I was going to ask, you said you
15 made some changes to the SAF rule. Can we please see that
16 before the actual hearing at GRRRC or --

17 MR. MC NEELY: I think once the staff, the GRRRC
18 staff actually approves everything, then I will try to get
19 it out to you.

20 MS. MARTINCIC: But you don't want to get it out
21 to the regulated community before?

22 MR. MC NEELY: No, because the GRRRC could reject
23 it, staff could say it's not complete, so we'd rather just
24 wait until they actually approve it.

25 MS. MARTINCIC: Okay.

1 CHAIRPERSON CLEMENT: So that will be some time
2 after, just for clarification based on your time frame,
3 sometime after approximately the 15th of February, or
4 maybe sooner if they get the review done?

5 MR. MC NEELY: Based on their website, that's
6 their deadline for putting it on the agenda and completing
7 their information, so it should be by the 15th.

8 CHAIRPERSON CLEMENT: Okay.

9 MR. MC NEELY: And I absolutely want everyone to
10 have plenty of time to review it because we have an
11 extensive response explaining --

12 MS. MARTINCIC: That will pretty much only leave
13 like two weeks before the hearing.

14 MR. MC NEELY: Yes.

15 CHAIRPERSON CLEMENT: Thank you. Any other
16 questions or discussion regarding that?

17 The other item that came up in particularly an
18 e-mail that I received from Theresa Foster, and that we're
19 all trying to stay on top of this the new Federal UST
20 legislation and how it's going to be affected in the
21 Arizona program, and there are some very specific
22 questions I know people had, so I don't know if you want
23 to just give us a general overview and maybe schedule an
24 opportunity for a Q & A or whether you have enough detail
25 that we could satisfy some of the questions.

1 MR. MC NEELY: Okay.

2 CHAIRPERSON CLEMENT: Thanks, Mr. McNeely.

3 MR. MC NEELY: The Energy Bill that was past, I
4 guess, last August 12th or signed into law, I actually
5 went and talked with the APMA, Andrea's presentation for
6 lunchtime, and she had EPA do a pretty thorough talk about
7 it, also.

8 The main issues for the Energy Bill is they're
9 requiring red tag authority where you actually prevent
10 delivery of fuel to gas stations if they're out of
11 compliance. That would take a statutory change for us.
12 California has that. We don't have that.

13 Operative training, they are requiring operative
14 training every year, which we don't do, and we have to
15 certify that they're actually trained. There's another
16 statutory change that would be required, plus additional
17 staff and funding.

18 Inspections every three years is a big one right
19 now. We're doing our inspections about every three and a
20 half to four years, so to do inspections every three
21 years, we'd probably have to hire at least one additional
22 inspector and probably one additional compliance officer.
23 So that again is more funding.

24 And there is a lot of reporting requirements. We
25 have to report on companies that are red-tagged, the

1 compliance status of all government entities, including
2 cities, counties, and the Federal government.

3 MS. MARTINCIC: Tribal land.

4 MR. MC NEELY: Tribal land. They would be the
5 tribal land, EPA would do that. So there is a lot of
6 stuff in here. And then they authorize -- you can use the
7 LUST grant money to do this, but there is really no
8 additional funding, so then you steal it from one pot and
9 put it in the other pot.

10 MS. MARTINCIC: There is also the double-wall
11 requirement.

12 MR. MC NEELY: Oh, that's a huge one. Yes. If
13 you are within a water -- I forgot the term.

14 MS. FOSTER: Community water system.

15 MR. MC NEELY: Community water system. If you
16 are putting a new system in, you have to have either
17 double-wall tanks or you have to have FR, not just for the
18 gas station owners, but for the installers and the
19 manufacturers of the tank, which that's major issues in
20 terms of how do you implement that.

21 MR. GILL: Where is the requirement?

22 MR. MC NEELY: Where is the requirement?

23 MR. GILL: Yes.

24 MR. MC NEELY: The Energy Act?

25 MR. GILL: No. When does the double-wall

1 requirement apply?

2 MS. MARTINCIC: Steve Linder had told us that the
3 first thing that EPA was working on was the tribal
4 requirement, because that was the first deadline, I
5 believe. They had to get all the tribal tanks in
6 compliance. I don't have the dates with me, but we can
7 find that out.

8 I know it's -- I remember Phil telling us that
9 basically the statutory changes would have to occur next
10 legislative session in order to get this stuff kind of
11 implemented by the deadlines, by the EPA deadlines.

12 MR. MC NEELY: Part of the process first is the
13 EPA has -- did you want to ask a question?

14 MS. FOSTER: According to the new law, it states
15 for any new construction, so if you have existing tanks
16 that are within a thousand feet of a community water
17 system, you don't have to touch them until at that point
18 you either replace the tank or do any piping repairs. If
19 you do piping repairs, you have to replace it with
20 double-wall piping.

21 MR. GILL: But the requirement is within a
22 thousand feet of a --

23 MS. FOSTER: A community water system, and that
24 also includes all the piping for that water system.

25 CHAIRPERSON CLEMENT: Where's the definition?

1 MR. GILL: Yeah, what do they define as community
2 water system?

3 MS. MARTINCIC: That's the problem.

4 MS. FOSTER: Clean Water Act.

5 MR. SMITH: So, within a thousand feet of a water
6 pipe going down the street?

7 MS. FOSTER: On the city side of the meter is my
8 interpretation.

9 CHAIRPERSON CLEMENT: Okay.

10 MR. MC NEELY: We're working with the ASTSWMO,
11 the states and the EPA. They have to come out with --
12 that thing, we've done nothing in this state right now
13 besides work with EPA. The way it's written, EPA is
14 supposed to come out with guidance, how to implement this.
15 All the states have the same issues we have. That was the
16 first question I had is what is the system, I mean, a
17 production well, I think would be more reasonable, but
18 they don't really define it at all.

19 MS. FOSTER: But It's clearly defined 40 CFR 141
20 on what is a public water system and breaking that down to
21 community and noncommunity water systems.

22 MR. MC NEELY: But the EPA and the UST community
23 is not really -- they're working on trying to figure out
24 how to implement this, so they are supposed to come up
25 with policy and guidance working with the states, and then

1 once they get that in place, then we're supposed to try to
2 implement their guides. But to do all this, as Andrea was
3 saying, we'd have to do statutory change, and I'm not sure
4 that our legislature or our Governor would support these
5 changes, really.

6 So, I mean, some of these are sort of difficult
7 to do, so we will see how that -- our first step is to see
8 where the guidance comes out from the EPA and we will try
9 to work with them to make sure we can implement it.

10 Another issue is losing a fund office. They're
11 making all these different requirements. We're at the
12 tailend of this program, and who's going to fund all these
13 new positions and new requirements.

14 CHAIRPERSON CLEMENT: A question I have, then,
15 it's unlikely you are going to address these required
16 statutory changes in this legislative session it sounds
17 like.

18 MR. MC NEELY: Absolutely not.

19 CHAIRPERSON CLEMENT: So we don't have to be on
20 alert to any of that.

21 In terms of the federal phase-in in the new
22 legislation, is it immediate, in other words, federal
23 level, could they enforce these provisions or is there --
24 I have not read them.

25 MS. MARTINCIC: There were dates. I'm pretty

1 sure there were dates further out.

2 MR. MC NEELY: It goes from -- August 12th, I
3 think is when it was implemented, and they are all like
4 18 months from implementation, a year from implementation,
5 two years. I just didn't have that.

6 MS. MARTINCIC: Maybe we can do a fact sheet, or
7 something, I can get Steve Linder's presentation and kind
8 of make copies for the Commission members.

9 CHAIRPERSON CLEMENT: That would be great.

10 MS. MARTINCIC: I can do that.

11 CHAIRPERSON CLEMENT: Thank you very much,
12 Andrea. Let me write that down.

13 MR. SMITH: Gail.

14 CHAIRPERSON CLEMENT: Yes, Mr. Smith.

15 MR. SMITH: Has there been any talk of states
16 that aren't going to be on board to come back to their
17 state programs and kind of hold a hatchet over your head
18 or cut your funds?

19 MR. MC NEELY: No. What the thread is is if you
20 don't implement all provisions of this, they are going to
21 cut your federal funding, which all the states -- it's a
22 Catch 22, because a lot of the states are saying -- some
23 states only meet -- their legislature meets every two
24 years, so it's actually impossible for them to implement
25 all of this.

1 And the major problem with implementing this is
2 funding, who has the funding. So now they're going --
3 they're talking about cutting your funding if you don't
4 implement all of these things when the legislature won't
5 even be in session to implement this yet.

6 So, there is some major issues with how quickly
7 they put this time line and the threats.

8 MS. CAMPBELL: I'm sorry, what was the time line
9 again?

10 MR. MC NEELY: I don't have the time lines.
11 There are different time lines for each provision. And a
12 lot of it is based on when the guidance comes out from
13 EPA, and the state has a certain amount of time to
14 implement their guidance. I think the soonest one is
15 probably next August, then it goes from there.

16 MS. MARTINCIC: I think Steve had dates. I will
17 try to get Steve's presentation.

18 MR. MC NEELY: And I have those, too. I wasn't
19 expecting to really do a thorough presentation.

20 CHAIRPERSON CLEMENT: And if it becomes an issue
21 to the Policy Commission and we want more details, we can
22 schedule that and bring somebody, if not Phil, somebody
23 else that would be more appropriate to address the issue,
24 but I think having the presentation from EPA that was
25 presented in APMA will be really helpful. Andrea will

1 make sure that's distributed.

2 MS. MARTINCIC: I need to check with Steve to
3 make sure.

4 CHAIRPERSON CLEMENT: They will probably have
5 other regional --

6 MS. MARTINCIC: He would probably come speak to
7 this group, too, if we ask him.

8 MR. MC NEELY: He's actually here today.

9 MS. MARTINCIC: Oh, is he really?

10 CHAIRPERSON CLEMENT: So, keep that in mind. If
11 you think at a certain point in time that we want more
12 formal presentation or more details, just make sure we add
13 it to the agenda for that meeting. Thank you.

14 Any other questions or comments? It's going to
15 be very interesting to see how they implement the program.

16 Now we're going to move to ADEQ updates, and you
17 are back on line here. UST program update, Mr. McNeely.

18 MR. MC NEELY: Thank you. Our UST program
19 update. A couple of things. We are trying to move the
20 SAF staff from the 6th floor to the 4th floor next to all
21 the Corrective Action staff, and that's probably going to
22 happen next month. And part of the intention for that is
23 to develop consistency, because right now, I've heard for
24 years how we are inconsistent with our SAF reviews and our
25 Corrective Action reviews, and we really shouldn't be, so

1 we made some changes where Joe really is the technical
2 lead now, which he always has been, but I'm publicly
3 saying that, he's the technical lead, so when he goes to
4 Technical Subcommittee meetings, you know, in the past you
5 always wanted SAF people, which we will still do, but Joe
6 really speaks technically for the UST program.

7 Once we all get on the same floor, I think in
8 terms of consistency, when you sit next to somebody,
9 things will be a lot more consistent. It will be a lot
10 easier to develop teamwork.

11 Second thing, I've been working with -- or
12 actually Ron Kern has been working with Andrea on our FR
13 trifolds. I will pass this around. This is talking about
14 how you need to have financial responsibility, gives you
15 guidance on what you can use for financial responsibility
16 and buying insurance.

17 So, Andrea had some input on this, and we're
18 going to have this -- we are making copies now, but we are
19 going to e-mail this to Andrea today. I think we probably
20 did this morning. She can e-mail it around to her
21 constituency and we will mail it out to all
22 owner/operators, and when we go do our inspections, we are
23 going to hand it out, just part of the Senate Bill 1306,
24 making sure everybody has financial responsibility.

25 MS. MARTINCIC: Do you know if that will be go

1 out from DEQ to each, like, registered tank owner as well?

2 MR. MC NEELY: Right. We'd like to do a mass
3 mailing out, and then every time we do an inspection,
4 leave it there, put it on our website, then we will make
5 it electronically available, so we will probably e-mail
6 our whole UST stakeholder list.

7 CHAIRPERSON CLEMENT: In other words, APMA wanted
8 to do a secondary distribution for their folks?

9 MR. MC NEELY: She probably has it on her
10 computer at home right now so she can do that.

11 CHAIRPERSON CLEMENT: Thank you.

12 MR. MC NEELY: You are welcome.

13 And in connection with that, Senate Bill 1306
14 talks about eligibility for new releases ending on June
15 30th, 2006, but one thing I'm not sure if everyone
16 understands is that is confirmed releases June 30th, 2006.
17 So we're going to try to do some outreach on that to make
18 sure that owner/operators know, confirming that you can't
19 wait until June 30, 2006 and call in and say I think I
20 have a release and leave that window open, because I think
21 we would probably have 2,600 releases called in that day,
22 and that's how many operator facilities we have, then in
23 the future they could say I reported it on June 30th. So
24 it's confirmed releases, it has to meet the requirements
25 of the department, which means you have to have a sample

1 under the tank, under the lines showing you have
2 contamination.

3 I thought everyone understood that, but we were
4 thinking about this thing, and I don't know if that's
5 clear to everybody.

6 MS. MARTINCIC: I would be glad to put something
7 out to my members on that. What is the time line right
8 now for DEQ to confirm the release? How long does that
9 process take so I can -- I think that is what needs to get
10 out to people, like -- I mean, is it a month, is it a
11 couple of weeks?

12 MR. MC NEELY: It should probably be within a
13 month or so.

14 MR. DROSENDAHL: The owner/operators confirm the
15 release. They get the analytical result that indicates
16 that there was a release, a substance from the tank. They
17 report it within 24 hours of them confirming it to the
18 department, send in the information, we look at it, and
19 then we kind of verify their confirmation and then assign
20 it a LUST number.

21 MS. MARTINCIC: Is it considered confirmed when
22 they send in their report?

23 MR. DROSENDAHL: Right.

24 MS. MARTINCIC: Is it not confirmed until DEQ
25 signs off on that report?

1 MR. DROSENDAHL: Basically in the Correct Action
2 Rule there is a definition for release confirmation date,
3 and it's the date the owner/operator gets the analytical
4 result that indicates that there is a release. DEQ may,
5 you know, have a different opinion and it might end up
6 either being a confirmed release or a suspected release,
7 but the owner/operator is responsible for actually
8 confirming that. We just verify the confirmation.

9 MR. GILL: The problem we've had in the past, it
10 isn't confirmed until a LUST number is assigned to it.

11 MR. MARTINCIC: This is important, too, so we
12 understand -- I mean, if I'm going to get information out
13 to my members, I want to make sure that it's accurate.

14 MR. MC NEELY: We will put it in writing and make
15 it available to you. We want to send out a postcard, too,
16 to everybody, and we will put it on news letter, but I'm
17 worried about the news letter getting buried with other
18 stuff, so I want to make it very clear, because this is
19 really important. And suspected releases, like inventory,
20 that doesn't count, but to confirm what Joe's saying, it's
21 a sample. So that's why you need to plan a little bit
22 ahead if you think you've got a release.

23 MS. MARTINCIC: Being that it's June 30 of 2006,
24 I mean, how long is it going to take you to kind of draft
25 that one and get it approved and be able to get it out?

1 MR. MC NEELY: Probably in the next few weeks.

2 We're working on it right now.

3 CHAIRPERSON CLEMENT: Ms. Foster?

4 MS. FOSTER: So, if I'm digging a tank out of the
5 ground the day before and I have floating product or
6 product sitting in the pit, I can't call it in to confirm
7 until I have lab samples?

8 MR. DROSENDAHL: I think the definition of
9 release confirmation includes free product.

10 MS. FOSTER: Visual. Well, I think that's one
11 thing people need to know.

12 CHAIRPERSON CLEMENT: Maybe restate, as you are
13 doing this, restate the definition so that it's right
14 there in whatever policy statement you are going to make.

15 MR. MC NEELY: And that's why we bring this up,
16 because this is the conversation we probably need to have
17 now, really.

18 CHAIRPERSON CLEMENT: Right.

19 MR. GILL: This was a big issue in one of our
20 subcommittee meetings because the problem -- and the
21 discussion of the time frame is that, I mean, it could be
22 a month unless there is -- as Joe mentioned, there is a
23 problem with whether or not they agree with it, and that's
24 the ultimate -- ultimately until that LUST number is
25 assigned, it is not a confirmed release, it will not go

1 down as you can get reimbursement, and that's the final.

2 So that's why they need to really build this
3 right away so they can start doing investigations, go
4 through all this process and know whether or not they
5 actually have a LUST number, because ultimately that's
6 what it comes down is a LUST number.

7 CHAIRPERSON CLEMENT: Okay. Any other comments?

8 Mr. McNeely?

9 MR. MC NEELY: Going to the SAF update. Before
10 we go look at tables, I do have one issue to talk about.
11 The mileage rate for the state went up to 40.5 cents a
12 mile about a month ago, and when we did our cost schedule,
13 we had limited -- I believe the current rate was like 37.5
14 because that was the state rate. So what we want to do
15 is, we don't want to do the whole updated cost schedule,
16 we just want to update the mileage rate, which is Item
17 Code No. 13, 14, 15 to 41 cents a mile, and we can make
18 this effective like at the end of this month and we will
19 put it on the website. I don't think anyone will object
20 to the 30-day notice for this, but -- and the state rate
21 is 40.5 cents, so we're giving everybody a break by going
22 to 41 cents, because our computer system can't do a half a
23 penny, see we will go to 40 cents or 41.

24 CHAIRPERSON CLEMENT: Not much to argue about;
25 right?

1 MR. MC NEELY: Decided to go with 41. So that
2 will be probably effective at the end of this month, and
3 so then when you start doing your claims you can put in 41
4 cents, put it on the website.

5 Going to the SAF tables that we passed out, as
6 you can see, we've been doing a really good job of
7 reviewing claims. We did 112 processed in December, which
8 is pretty amazing, so we are really getting -- and I
9 contribute it to really the new forms and the new cost
10 schedule. It is easier to review claims now. We've only
11 got one cost schedule to look at, so it seems like things
12 are going along pretty smoothly, and I think we're
13 actually going to get more efficient and even see those
14 numbers go higher.

15 Our backlog -- we are not backlogged. In process
16 we have 176 total. 176 are relatively recent, less than
17 90 days. 63 are greater than 90 days, but a lot of those
18 63 are based on AM letters. We don't stop the clock, so
19 really we are up-to-date, pretty close to up-to-date.

20 CHAIRPERSON CLEMENT: Is your staffing up now?
21 Are you fully staffed?

22 MR. MC NEELY: No. We hired one Hydro III, but
23 we're still looking for two more Hydro IIIs. We actually
24 put a newspaper ad out in the Sunday paper for The Arizona
25 Republic to hire hydros, waste programs, water quality and

1 tank programs, combined it, so we've gotten, I think it
2 was like ten resumes from that. But it's not -- there is
3 a lot of competition. Seems like consultants -- if you
4 look in the Sunday paper, a lot of people are hiring, a
5 lot of consultants are hiring, and we pay probably \$15,000
6 less than they do, so, to get here, we've had really good
7 luck hiring people from out of state. Our last five hires
8 -- no, our last five people that have left have gone to
9 different states, and our last few hires have come from
10 other states. We actually got one from Texas, Colorado
11 and Utah. Then we lost five people to Alaska, Oregon,
12 Montana, New York and Miami. Transit community. They
13 come and go. So it's a constant battle. We will keep
14 hiring. I think we will always have to hire people, but
15 it seems like things are getting more consistent in terms
16 of reviewing and processing claims.

17 CHAIRPERSON CLEMENT: Okay.

18 MR. MC NEELY: In terms of the appeals, in
19 December we had 33 informal appeals, and we did -- we
20 actually made 45 determinations, which is good, so we're
21 actually processing more than we claim. And the good
22 number really is in December we had four formal appeals,
23 and we didn't have any hearings in December, so, the
24 appeals have decreased.

25 CHAIRPERSON CLEMENT: On the four formal appeals

1 that you had in December, will those eventually or are you
2 negotiating final settlements, will those go to a formal
3 appeal determination?

4 MR. MC NEELY: Well, a lot of those will go to
5 settlement conference. Most of the time -- almost always
6 they get settled.

7 CHAIRPERSON CLEMENT: Before you get a OAH
8 hearing?

9 MR. MC NEELY: Right.

10 CHAIRPERSON CLEMENT: When is the last time you
11 had an OAH hearing? It's been some time.

12 MR. MC NEELY: I don't remember. It's been
13 probably over a month, maybe longer than that.

14 CHAIRPERSON CLEMENT: That's good. There is a
15 lot of resources.

16 MR. MC NEELY: That's it for my update. Joe
17 Drosendahl is next.

18 CHAIRPERSON CLEMENT: Before we move to you, Joe,
19 any questions or comments for Mr. McNeely?

20 Good work. Congratulations on catching up and
21 tell Tara also good job.

22 MR. MC NEELY: Okay. I will do that.

23 CHAIRPERSON CLEMENT: It's a lot of work.

24 Mr. Drosendahl, you are up next.

25 DR. DROSENDAHL: Yes. I'm Joe Drosendahl, the

1 manager of the Corrective Action Section.

2 Basically, at the beginning of the year we had
3 only 19 SCRs that were pending review. We had one revised
4 SCR that we are reviewing. We have four CAPS under review
5 and two revised CAPS under review. So, the reports that
6 used to come in in great numbers have at least reduced for
7 a while. We're definitely keeping up.

8 And other projects -- not enough coffee this
9 morning.

10 CHAIRPERSON CLEMENT: Before you jump to the next
11 topic, I noticed we don't have any graphics or numbers
12 ourselves. Are you still massaging the database?

13 MR. DROSENDAHL: Yeah. That's one of the things
14 I was going to bring up. We are about ready to start kind
15 of like a massive cleanup of the data in our new database.
16 Once we do that, we will go back to giving the graphics,
17 the numbers again. That's going to be a pretty monumental
18 thing, but with only 819 facilities that have LUST, and,
19 you know, that isn't as bad as it sounds, some of that
20 cleanup can be done, you know, just tweaking of the
21 queries and everything.

22 Plus another update, we are still implementing
23 case management again. We're going to be implementing
24 that probably within the next few weeks. Once case
25 managers are assigned, they will be looking at all their

1 assigned cases, getting up to speed on them and also
2 updating the database, so hopefully by the next Policy
3 Commission we will be back into case management and we
4 will try to -- basically one of the first things case
5 managers will do will be informing the owners and
6 operators and their consultants that they now have a case
7 manager. That will be their main point of contact. Some
8 sites won't have a case manager, and we'll be dealing with
9 those sites and the reports from those sites on a
10 first-in, first-site basis, so the ones that aren't
11 case-managed aren't going to be falling through the
12 cracks. They are going to be looked at as they come in.

13 The Municipal Tank Closure program is still going
14 forward.

15 CHAIRPERSON CLEMENT: Mr. Drosendahl, before you
16 jump, what is the decision that you have to decide whether
17 a case is going to be assigned or not?

18 MR. DROSENDAHL: Basically it's directed to
19 receptors, so it's still a risk-based determination.

20 CHAIRPERSON CLEMENT: And then how are you making
21 those assignments? Is it geographic, is it staff
22 experience, is it staff availability? What are the
23 criteria?

24 MR. DROSENDAHL: Yes. Basically we can't assign,
25 you know, one case manager to northeast Arizona, so there

1 might be several case managers in a region.

2 CHAIRPERSON CLEMENT: Okay.

3 MR. DROSENDAHL: But we will try to do it on a
4 regional approach as much as possible. That will help
5 with the outside, plus it will help the inside knowing
6 more about that region, so we are definitely going to try
7 that.

8 Some sites might be assigned a case manager
9 because the case manager will be assigned to that
10 facility, doesn't make sense for them to, you know, be
11 assigned releases one through three and then four and five
12 being given to someone else, so they will have the whole
13 facility.

14 Municipal Tank Closure Program is going along.
15 59 applications have been submitted from 21 cities, and so
16 far 88 USTs have been removed, so that's still going
17 forward.

18 The Route 66 Initiative is still going forward.
19 One of the newest things is tomorrow and Friday there is a
20 joint DEQ/EPA meeting up in Winslow and Holbrook. It's
21 not really about UST cleanups, it's about helping property
22 owners and cities obtain funding to actually redevelop
23 some of these properties. So it's more about, you know,
24 just helping owners and operators and cities, you know,
25 find the various sources of funding that they might be

1 able to tap into to redevelop some of these properties.

2 And, let's see, as Phil said, we've lost some
3 people. Since, I think, the last Policy Commission
4 meeting, we've lost three Corrective Action Section
5 people, one from our Enforcement Unit, where we're still
6 missing a unit manager, one from the Site Investigation
7 and Remediation Unit, and one from the State Lead, and
8 we're trying to find additional Hydro IIIs for the State
9 Lead Program.

10 CHAIRPERSON CLEMENT: What are the other
11 positions that you need to have filled, Joe?

12 MR. DROSENDAHL: They're Hydro IIIs in the other
13 units.

14 CHAIRPERSON CLEMENT: Okay.

15 MR. DROSENDAHL: But we're mostly concentrating
16 on getting the State Lead Unit fully staffed.

17 And I think that's it for my update.

18 CHAIRPERSON CLEMENT: We also wanted to ask you
19 regarding the Risk Assessment Tier II modeling update,
20 because that has everybody -- well, at least -- maybe you
21 could speak to this directly.

22 MR. GILL: Well, I still have not had a response
23 from the question that I've asked, at least at the last
24 two meetings, about has the DEQ looked at the model to see
25 if it is addressing risk on sites where the concentrations

1 are greater than what we know is going to be the new Soil
2 Rule SRLs. Well, to put it in a nutshell, I've done a
3 risk assessment where it passed the Tier I because the
4 numbers in the current SRLs are lower -- are up higher
5 than the concentrations that were found at the site. And
6 then when I looked at my data after I did the risk
7 assessment, it didn't evaluate any of those constituents.
8 So my question is, does the model evaluate the toxicity
9 based on the current toxicological data if it passes the
10 current SRLs?

11 MR. MC NEELY: I can answer that.

12 CHAIRPERSON CLEMENT: Mr. McNeely.

13 MR. MC NEELY: We talked about that last time.
14 No. Our current authority is the Soil Rule. If you past
15 the Tier I number in our Soil Rule, which is what our
16 authority is, the Tier II does not include it. The model
17 does not include -- you are talking about Napthalene. It
18 does not include that when you do the evaluations, it
19 doesn't include it, because in our Soil Rule, if you pass
20 the Tier I, you don't go farther, so that's the way it is.
21 And when you say numbers that we're going to
22 have, the Soil Rule, even at best case scenario, will not
23 be in effect, a new one, probably until sometime in the
24 next fall, so you got to keep plugging along with the
25 current rule that we have, and that's our authority.

1 MR. GILL: I understand that, but that's a real
2 problem because risk doesn't care about SRLs. And I
3 understand that you say you can't require anyone to clean
4 up or do something that isn't on the books. But, we know
5 and you know that there is toxicological data out there in
6 the EPA's data that shows there is potential risk for the
7 benzopyrene -- I don't know about the benopyrene, the
8 trimethylbenzene, and all those. There are numbers for
9 those now and there is toxicological data in the books.

10 Well, if a risk assessment -- if this model
11 doesn't evaluate that and we're saying there is no risk,
12 we can't say that.

13 MR. MC NEELY: I don't think anyone ever would
14 say no risk. I think you would say it's an acceptable
15 risk. There is a range from ten minus four to ten minus
16 six, which is our authority. A lot of times in our Soil
17 Rule for the Benzene, and we use ten minus six, the most
18 conservative.

19 Once you take a closer look at it and you
20 evaluate all the pathways, it doesn't mean you have to
21 stay at ten minus six, you take a good look, and you
22 evaluated it, then you can drop down a little bit lower.
23 And even all the assumptions in that model are very, very
24 conservative. Assuming that you are in-house for 350 days
25 a year, 24 hours day for 30 years, very, very, very, very

1 conservative.

2 That's why in the Tier I numbers, if you don't
3 hit the Tier I numbers, if you are below that, we are not
4 too worried about it because it's very, very, very
5 conservative. So, to go and say you have to -- you know,
6 it's no risk, we never say it's no risk, it's an
7 acceptable risk. And I think if you really start looking
8 at your assumptions you will probably be more comfortable
9 with it.

10 We are stuck to our authority and right now, you
11 know, we are in transit. Once we have a new rule in, then
12 we will be enforcing the new rule.

13 MR. GILL: I guess my only comment is that it's
14 an acceptable risk if it's evaluated, but these
15 constituents aren't evaluated, and that's -- so we have no
16 idea whether it's an acceptable risk or not. That's the
17 concern I have.

18 CHAIRPERSON CLEMENT: But it sounds to me like
19 you have two options. One is you could follow the DEQ
20 Tier I -- current Tier I, Tier II pathway, or you can do
21 another type of a risk assessment, right? I mean, they
22 don't dictate you have to use their methodology. So, if
23 there is a concern on a particular piece of property, you
24 are not held to -- that was just -- that software and that
25 modeling was meant to facilitate and move things forward,

1 but if it's going to be of concern to a particular owner
2 and operator, they do have a choice of doing something
3 else on that property.

4 MR. GILL: And that's absolutely true, and that's
5 -- which is what I will be doing. But I didn't know until
6 you just told me right now, I've been waiting for that
7 answer, that it does not evaluate if it past the Tier I,
8 and I had not heard it, so I needed to know that for sure.

9 CHAIRPERSON CLEMENT: And then there will be a
10 time lag, probably by the time the SRL Rule comes out and
11 then the Tier I software gets updated and then it's
12 available to the regulated community, so, I mean, this
13 tool seems to be a moving target and hasn't been
14 particularly effective at this point in time, it sounds
15 like, or maybe not.

16 MR. MC NEELY: It's been effective for sites that
17 fall in, that are pretty easy to do, but if you have more
18 complex, where you have PH, it's not necessarily -- it's a
19 tool.

20 CHAIRPERSON CLEMENT: And then there were some
21 other technical questions outstanding, I think Mr. Gill
22 had, regarding the Tier II Excel spreadsheet.

23 MR. GILL: I don't know if anything has been or
24 can be resolved about the issues with the Excel. The
25 Excel that it was based on is the '97. Because I -- I

1 cannot use it.

2 MR. DROSENDAHL: That was just a condition of the
3 contract that was created to create the Tier II. You
4 know, where we have on our list of things to do is to
5 update that to newer versions, but right now,
6 unfortunately, it is what it is. But we understand that
7 some people just don't have the means to implement it.

8 CHAIRPERSON CLEMENT: Usually you don't have to
9 go backwards in converting your data tables. But that's
10 what people will have to do if they've got the software
11 available.

12 Mr. Gill, also you mentioned that perhaps it
13 would be useful to have a technical session with the
14 modeling, the Tier II, Tier I modeling, is that still
15 something --

16 MR. GILL: Joe, didn't you say that once
17 everything was finalized you were going to give a -- I
18 think you mentioned there was going to be a show-and-tell
19 on how to do the model?

20 MR. DROSENDAHL: I think the stakeholders
21 requested that.

22 MR. GILL: Also, what is the status of the --
23 because, again, we really can't do a complete job of
24 writing our reports until we see the How To Tier II
25 document, because that one basically tells us what's in

1 this black box, because right now we just have the black
2 box. We don't know what it's doing.

3 MR. DROSENDAHL: The How To Tier II was more,
4 this is a discussion of what Tier II is on a generic kind
5 of level, you know, what the intent is, what people should
6 be considering.

7 The manual that is already out actually used the
8 manual of how to actually perform the Tier II. Right now,
9 one of Jeanene's main responsibility is helping Phil with
10 the Soil Rule and everything, so she hasn't been able to
11 go back to the How To Tier II, but hopefully with the kind
12 of pause in the Soil Rule, the process, hopefully she can
13 get that out and hopefully that will help, you know,
14 people kind of understand what we, you know, feel is how a
15 Tier II should be, you know, thought of. But the manual
16 that's out there right now is the manual on how to
17 actually use the model.

18 MR. GILL: And that's true, and that's not a
19 problem. But there is some sections in the manual that
20 tell you to refer to the How To Tier II document to be
21 able to do this, that and the other. So at the very
22 minimum, if we could get something that tells us what that
23 is that we're going to be looking at. I mean, if you
24 can't get the whole document right away, maybe Jeanene can
25 just look at that section in the manual that refers to it

1 and in that sheet that she had sent out earlier showing
2 the questions and answers to problems, maybe add that so
3 we know what we're supposed to be looking at.

4 MR. DROSENDAHL: Okay. I will look at the manual
5 and find out what parts those are.

6 CHAIRPERSON CLEMENT: So, there is kind of two
7 outstanding things that I just heard. One is there is
8 going to be a show-and-tell presentation that DEQ is going
9 to arrange at some future point in time, and then there
10 also is a clarification regarding existing documentation
11 that Hal has just requested that refers to a document that
12 has not yet been prepared. Is that correct?

13 MR. GILL: Yes.

14 CHAIRPERSON CLEMENT: Did I capture those two
15 things?

16 Do you have any time frame for either of those,
17 Joe?

18 MR. DROSENDAHL: I'm always a little too
19 optimistic. I wish I could. Not right now.

20 CHAIRPERSON CLEMENT: Is there any reason that we
21 would want to have Jeanene come back to either the
22 Technical Subcommittee or the Policy Commission meeting in
23 the next month or two to give us an update or maybe push
24 the process along a little bit? It's an open question to
25 the Commission. Any response?

1 MS. MARTINCIC: I think it's going to be helpful.

2 CHAIRPERSON CLEMENT: Is that going to be helpful
3 or should we just wait until they are ready to respond to
4 these two issues? Mr. McNeely?

5 MR. MC NEELY: I would prefer that we do our
6 show-and-tell relatively soon, and that's mainly for the
7 consultants that need to know how to operate it. I'm not
8 sure if all of us really care how it works that much, but
9 it seems like Hal and people who are actually plugging
10 away need to know how it works. To me, that's the biggest
11 issue.

12 And I'd like to have it where you actually have
13 computers in front of us and actually see it, but I'm not
14 sure if we can do that or not, Joe, in our computer room.
15 I'm not sure.

16 CHAIRPERSON CLEMENT: That would be great.

17 MR. DROSENDAHL: We could try.

18 CHAIRPERSON CLEMENT: Because that's the most
19 utility, if you can actually follow the process in the way
20 it is on the computer.

21 MR. DROSENDAHL: I think we have the ability in
22 this room to log into our computer system, or whatever, so
23 it might be where we can show it up on the screen while
24 Jeanene actually does it on her laptop. We will see what
25 we can do.

1 CHAIRPERSON CLEMENT: I agree with Mr. McNeely.
2 As far as the Policy Commission, unless you all disagree
3 with either of us, there is really not a lot of utility to
4 go into a lot of detail since most of us aren't going to
5 use it, but maybe at the Technical Subcommittee level or
6 at a secondary meeting that involves the technical folks,
7 that would be very helpful.

8 Mr. Drosendahl?

9 MR. DROSENDAHL: I have set up periodic -- I
10 reserve this room periodically to have meetings with
11 external stakeholders, so I could just arrange it on one
12 of those months that we have this room available for
13 meetings.

14 CHAIRPERSON CLEMENT: Okay. So right now, just
15 so that I can summarize, the consensus is -- unless
16 somebody disagrees -- we will not have Jeanene for a
17 detailed technical presentation at the Policy Commission
18 level. We are going to allow DEQ the opportunity to
19 address their scheduling for show-and-tell presentation,
20 and a response to the question that Mr. Gill had regarding
21 the manual that refers to some other document which is not
22 yet created and how to deal with that.

23 And Joe is going to get back with us on a
24 technical presentation in addressing those questions.

25 That's correct? Okay. Thank you.

1 Any other topics, discussions under the UST
2 program?

3 MR. DROSENDAHL: No.

4 CHAIRPERSON CLEMENT: Any other questions or
5 discussions? Let's move on.

6 We will turn to Ms. Martincic for the Financial
7 Subcommittee update.

8 MS. MARTINCIC: Well, we didn't have a meeting in
9 January because we obviously didn't have a new version of
10 the SAF Rule. And since it doesn't look like we're going
11 to have a version to look at on February 2nd, I would
12 propose that we have our financial meeting on the 16th or
13 17th, which would be the day or two right after GRRRC would
14 have it approved so that we can actually look at it, which
15 gives us the only time we have to make recommendations for
16 the February 22nd Policy Meeting before the potential GRRRC
17 hearing on March 7th.

18 So, because Policy Commission in the last two
19 drafts of the rule actually had been urging ADEQ to not
20 move forward with this rule or to make significant
21 changes, and without seeing the rule, it's difficult for
22 us to know what changes have been made. And since there
23 is only two weeks before the potential hearing, and that's
24 supposed to be the subcommittee's purpose is to kind of
25 review those issues related to SAF, I don't know if DEQ

1 can facilitate a room change on one of those dates, either
2 the 16th or 17th. I'm open both days right now, so if we
3 need to move the time, I'm flexible. I think it's an
4 important enough meeting.

5 MR. MC NEELY: Andrea, if you have this meeting,
6 DEQ won't be able to participate because our participation
7 is to be at the GRRRC hearing, so I'd like to make this
8 available to you as soon as I can.

9 MS. MARTINCIC: Right.

10 MR. MC NEELY: So, it will be your meeting. I
11 won't be answering questions because the formal process, I
12 go to GRRRC, and that's where I testify at GRRRC.

13 MS. MARTINCIC: That's fine. I'm just kind of
14 frustrated we don't have a version of the rule to look at
15 until the 15th.

16 MR. MC NEELY: And I understand that, but that's
17 just the process.

18 CHAIRPERSON CLEMENT: Especially if there's going
19 to be changes made by GRRRC, we have to wait.

20 MS. MARTINCIC: Right. I've worked on other
21 rules in different agencies. Sometimes you see what they
22 are sending to GRRRC ahead of time so that everybody is on
23 the same page, but apparently this process is working a
24 little differently, so that's fine. I just want to make
25 sure that we have our meeting scheduled so we can review

1 it and have at least a day to talk about it.

2 CHAIRPERSON CLEMENT: Is there a preferred date
3 by the Policy Commission and the Financial Subcommittee,
4 either the 16th or the 17th, because I think we should set
5 that now and set the time and the location based on the
6 room availability, but let's get the dates if we can.

7 MR. O'HARA: Are you confident that we will have
8 a Rule by the 15th? They have until the 15th to review
9 it?

10 MR. MC NEELY: I went on their website. January
11 23rd was the deadline to make it March 7th. It says,
12 material is due from the agencies February 15th, so they
13 asked for information additional. They're got to February
14 15th, we do to get it to them. So after February 15th is
15 the date they are supposed to put it on the agenda to
16 March 7th.

17 Hopefully before that we will know if they have
18 any issues with it or not. As soon as I can, I will try
19 to e-mail it to everybody.

20 MS. MARTINCIC: Maybe I will call GRRC, too, and
21 see if it's public, if we are allowed to get a copy of the
22 rule that's been submitted.

23 CHAIRPERSON CLEMENT: Let's at least tentatively
24 hold one of those two dates.

25 MS. MARTINCIC: I'm open either.

1 CHAIRPERSON CLEMENT: Is there a preference for
2 the Commission members? Should we give it to the 17th,
3 because that's the longest period from the 15th? Okay.

4 And then what we will do is, once you've worked
5 with Al Johnson on getting a room location, then we will
6 get a time and a date and an announcement out.

7 MS. MARTINCIC: Plan on the 17th?

8 CHAIRPERSON CLEMENT: 17th, yes. And this will
9 be a critical meeting for those folks interested in the
10 SAF Rule. I know there is some overlap with Technical
11 Subcommittee, so, you know, invite everyone that we
12 actually can that's interested in this. Okay.

13 MS. MARTINCIC: And I appreciate that this
14 brochure is finally ready to start going out, so I think
15 that will be important, and then if we can get the
16 language quickly on what constitutes a confirmed release
17 so that that as well can be properly released to the
18 stakeholders, I think that's critical.

19 MR. MC NEELY: Okay.

20 CHAIRPERSON CLEMENT: Thank you. And then we
21 will have a Technical Subcommittee update with Mr. Hal
22 Gill.

23 MR. GILL: Thank you, Gail.

24 We had a meeting in December and January. They
25 were both really good meetings, and, as Phil mentioned,

1 after the changes that he made and put in place with Joe
2 being the main technical guy to go to, things have worked
3 out real well.

4 And again, as Phil mentioned, the December
5 meeting, we had the Special Waste Rule and the General Air
6 Permit we looked at, and there was nothing to bring
7 forward to the Policy Commission because basically all the
8 attendees at the meeting, and there was good presentations
9 given by the individuals from those two departments, but
10 most of the -- there was consensus reached on most of
11 these issues, and the issues that were raised, they were
12 resolved or they had already made the changes, and they
13 still mentioned there were a couple of issues that they
14 were still going to look at. But there was -- at the end
15 of the meeting it was agreed there was nothing to bring
16 forward to the Policy Commission. It looks like it's
17 moving forward real well. And that was the December
18 meeting.

19 The January meeting again was an excellent
20 meeting. We had a lot of discussion. There was
21 individuals -- quite a few individuals there, in actually
22 both meetings, it was a pretty good crowd.

23 We're moving forward in the -- you may have
24 remembered a few months ago I sent out this general
25 outline that I put together of the remedial process

1 starting from remedial testing, risk assessment, all the
2 way through the system operation maintenance, and we're
3 just moving through that outline.

4 We have had a couple of meetings on the
5 permitting, and what I sent to all of you, and then I sent
6 it out to the consultants as well, as we, in one of our
7 past meetings, had put a general matrix together, got some
8 information from ATC that they had issues that they had
9 come up with and problems and the permitting issues. I
10 put those in the matrix, I sent it out to all the
11 consultants asking them to please put in similar type
12 information that they may have for the blanks that were
13 there, which were quite a few cities and counties. And
14 I'm hoping to get that back and then we can massage it and
15 figure out what to do. We need to add a column.
16 Eventually DEQ is going to put in what their requirements
17 for backup for these different issues will be, and so that
18 process is moving along.

19 And this is not an end all. The question to
20 everything in the universe is not going to be on this
21 matrix, but we're just trying, as I mentioned in my
22 e-mail, we are trying to get something down that both
23 owner/operators and consultants and DEQ could look at to
24 get an idea of why things are being done, how long it's
25 going to take, and what costs are involved. And hopefully

1 we can allay a lot of denials and formal appeals.

2 So, this was the first step after our meetings,
3 and we will -- I will -- each meeting I will let you know
4 if there is anything to add to it. This is also going to
5 be a living document that changes will be made, because
6 things come up literally daily. I hear from consultants
7 all the time that I just heard from this and that city or
8 this county, here's a new requirement.

9 A lot of them are jumping on the bandwagon with
10 the new international requirements, which they have no
11 idea what they are and I don't either. And so they're
12 just really going overboard, and some of these haven't
13 been added yet because I just heard about them. I'm
14 hoping those individuals will add them to the table and
15 e-mail them to me.

16 So, anyway, that's where we are with the matrix
17 and the permitting issues.

18 We moved into system installation at the last
19 meeting and had a really good meeting and discussion of
20 all the issues and requirements for system installation,
21 and it was determined at the end of the meeting, Joe and I
22 were talking, other than the Matrix, there is a list --
23 Joe's keeping a list and I'm keeping a list of the
24 different issues that are brought up during these
25 discussions, but we decided, rather than waiting until

1 we're all the way through with this outline, which has a
2 few to go, that it wouldn't make sense to wait until the
3 end of it and then come out with everything, because these
4 are ongoing issues all the time. They are happening
5 today. And so we are going to try to move as rapidly as
6 we can coming out with a discussion item, the issue
7 itself, the problem, the concerns, DEQ's requirements, if
8 there happens to be one for that particular issue, so we
9 can get some kind of table or a sheet out with the
10 discussion items and any resolution, or whatever there
11 happens to be for that particular issue, as soon as we
12 can, and again, making this a living document as well, so
13 we're continually moving forward. And we will bring these
14 to the Policy Commission for them to look at and vote to
15 put them on the bulletin so we can start adding to it.

16 CHAIRPERSON CLEMENT: Just a suggestion, Hal. I
17 noticed -- and this is really a good start -- this
18 remedial permitting matrix format, since this is going to
19 be such a moving target and a lot of things are going to
20 change, any time you do anything, you may want to add a
21 date to each page just as a footer or header so that
22 everybody knows this is the version of such and such a
23 date.

24 Ms. Foster?

25 MS. FOSTER: Hal, I didn't realize that to obtain

1 an electrical and that type of permits from cities cost 15
2 to 20,000.

3 MR. GILL: That's basically based on the type of
4 -- that's why I'm asking in each one of these sections,
5 whenever they fill in a block, to put in their -- the
6 estimated length of time that it's been taking and the
7 estimated range of costs that it's been taking to do
8 these. So that's basically what that is, it's based on
9 what has already occurred.

10 MS. FOSTER: So, you have to pay the city 15 to
11 20 thousand?

12 CHAIRPERSON CLEMENT: No.

13 MR. GILL: No, no. It isn't fees. It's just the
14 overall cost in fees, labor, anything else.

15 MS. FOSTER: But it's a little bit misleading,
16 because you are going to design a system anyway, whether
17 you go for a permit or not, so it sounds like you are
18 putting that design work into the permit fees.

19 MR. GILL: Well, it is a design. The design is a
20 separate thing. This is just to get the system running.

21 CHAIRPERSON CLEMENT: And just for clarity, I was
22 quite surprised that when we tried to put on an SVE
23 system, the complexity of the electrical reviews and the
24 URL requirements and lots and lots of things have changed,
25 and it was quite expensive, but I don't know if we got to

1 the 20,000, but probably 15, so, you know, you may want to
2 make that a little larger range with a lower end, but it's
3 expensive.

4 MR. GILL: And that was the main -- that really
5 is the main reason for doing this is because this has
6 always been an issue with the DEQ with the consultants
7 going back and forth, because they had no idea, and then
8 now we are actually putting down, you know, by city, by
9 county, the requirement, and there is new ones coming up
10 every day, and it changes to the ones that we are already
11 doing.

12 Yuma used to be real simple. We could get it
13 done literally in a week. Now it's taking months and, you
14 know, there is even potentially a possibility you may not
15 get it, so it just changes all the time. But as you can
16 see, there is lots of blanks, 'cause, as I said, this was
17 just from one consultant, and these were the areas they
18 were working in, so I'm hoping to get similar information
19 from other consultants.

20 CHAIRPERSON CLEMENT: Ms. Campbell?

21 MS. CAMPBELL: I think what Ms. Foster's point
22 was, and I kind of see what you are saying is, you are
23 pointing out what it costs in Phoenix, and I think her
24 point is, doesn't it cost 15 to 20,000 regardless of where
25 you are. The way it is in the table, it appears that

1 that's the cost in Phoenix. Is that different than Yuma?

2 CHAIRPERSON CLEMENT: It is.

3 MR. GILL: It is.

4 MS. CAMPBELL: So it is 15 to \$20,000 different
5 from, say, Yuma or someplace else?

6 CHAIRPERSON CLEMENT: It wouldn't be 15 to
7 \$20,000 difference from Yuma. It would be depending on
8 whether Yuma had a complex detailed regulatory process in
9 place, so I was surprised how difficult it is, frankly,
10 and so we may want to give that -- you know, this is one
11 consultant's input, and we may want to put a qualifying
12 statement in here, but it is expensive and it is over and
13 above the design cost that I've seen anyway.

14 MR. GILL: And one other thing that I noted as I
15 was putting the data in is that it doesn't -- I did this
16 real quick just so everybody can see what this may look
17 like. I have no idea if it's going to stay like this
18 completely or not. But the one thing is, it isn't
19 perfect; in other words, there is overlap between -- the
20 use permit actually has some things in it that may
21 actually end up being construction and that will have to
22 be worked out.

23 But as Gail said, that is absolutely true, these
24 costs are for that city, for that type of permit
25 construction or general use or -- and this master site

1 plan, these are new requirements. They used to not be
2 required.

3 And I can see there is going to be costs in there
4 so that some of that costs may be moved around, but I just
5 put in what I had at the time.

6 MS. CAMPBELL: I appreciate the clarification.

7 CHAIRPERSON CLEMENT: I think we should probably
8 add a caveat which we can create which just says these are
9 based on information we've received to date, you know,
10 don't take this as -- it's not a fee, it's basically the
11 cost to complete a particular item, so we should probably
12 add a caveat and a date and then keep this rolling that
13 way.

14 Any other --

15 MR. GILL: Oh. The next meeting will be the
16 second Wednesday in February, and we will be doing a
17 system startup and possibly operation and maintenance. I
18 usually put two topics on there, and I will send out a
19 requirement -- I will send out a request to the consultant
20 asking for some input on these, because I just did these,
21 as I said, several months ago, and I just put down what I
22 could think of, but there is -- some more specific
23 discussion points would be appreciated, so I will send
24 that out, too. But supposedly that's what's going to be
25 the next topic, system startup and system --

1 CHAIRPERSON CLEMENT: And that next meeting is
2 scheduled for February 8th from 9 to 12 in Room 4001-B,
3 which is upstairs at DEQ. That's the next Technical
4 Subcommittee meeting.

5 MR. GILL: That's it.

6 CHAIRPERSON CLEMENT: That's it? Thank you.

7 Any other questions or comments for Mr. Gill?

8 Okay, then, we will move on. Summary of meeting
9 action items. Now I'm going to go through my notes and
10 please correct me or add to. I think we have quite a few
11 for this meeting.

12 Andrea will ask Mr. Steve Linder from EPA whether
13 we can provide the presentation that he provided in APMA
14 and then she will make copies or e-mail to the Policy
15 Commission.

16 Over the next few weeks ADEQ will put in writing
17 their definition of release, confirmed release, including
18 any policy statement necessary to clarify that.

19 At an unknown date and time, ADEQ will have a
20 show-and-tell presentation regarding the Tier I and Tier
21 II software as a technical presentation, hopefully a
22 hands-on working environment, and then DEQ is also going
23 to address the outstanding references in How To Tier II
24 manual that referred to another document that hasn't been
25 created yet. Clarify that.

1 MR. DROSENDAHL: That last one, basically from
2 what Hal said, there is references in the existing Tier II
3 manual that refers to another document which probably is
4 the How To Tier II.

5 CHAIRPERSON CLEMENT: Okay. But we don't have
6 that second document yet; right?

7 MR. DROSENDAHL: No.

8 CHAIRPERSON CLEMENT: So, the outstanding
9 references, what you are going to try to do is answer
10 those questions because we don't have the second document?

11 MR. DROSENDAHL: Right.

12 CHAIRPERSON CLEMENT: I think I've got that.

13 MR. GILL: Will you provide whatever that
14 requirement was?

15 CHAIRPERSON CLEMENT: The next one is Mr. McNeely
16 is going to provide, as soon as available, the revised SAF
17 Rule. Andrea and Al Johnson are going to work on
18 scheduling the Financial Subcommittee meeting for February
19 17th for a time and location to be determined.

20 The next one I had was on the matrix that Mr.
21 Gill and the Technical Subcommittee are creating, we are
22 going to add a date and a caveat, and we all recognize
23 this is a working document and this is the very first
24 draft.

25 I have another action item, which is, this is the

1 New Year, and Gail Clement will start revising the Annual
2 Report, and I will need the materials from DEQ to give the
3 numbers in there. Hopefully what we did last year, I
4 thought that worked out pretty well.

5 So, any other agenda items that I failed to
6 capture?

7 MS. MARTINCIC: I just have a request.

8 CHAIRPERSON CLEMENT: Yes, Ms. Martincic.

9 MS. MARTINCIC: Is it possible for the February
10 Policy Commission meeting for the speakerphone to be set
11 up? I have an out-of-town meeting that I'm going to be
12 at, but I would like to participate in by phone.

13 MR. JOHNSON: Sure.

14 CHAIRPERSON CLEMENT: If we do have comments
15 based on the Financial Subcommittee to the SAF Rule, that
16 will be an important meeting.

17 Anything else, then, anyone captured?

18 Next one is discussion of agenda items for next
19 Commission meeting. We will go ahead and have the
20 standard agenda items that we always have. If anybody has
21 any additional agenda items, please get them to me in a
22 timely manner so I can get them in the agenda or draft
23 agenda for review, and we will also potentially have an
24 SAF Rule item that we'll have discussion on.

25 Then the next agenda is general call to the

1 public. Are there any public comments?

2 Yes, Mr. Kelly.

3 MR. KELLY: I just had one request. Is there any
4 way we could move the meeting time until 10 o'clock,
5 because you're doing such a great job of getting us in and
6 out of here in one hour, and the 9 o'clock commute is
7 really asking a lot for people that come from long
8 distances.

9 CHAIRPERSON CLEMENT: I don't know if I can talk
10 about that. Can I talk about that? I don't think I can
11 talk about that unless I put it on the agenda.

12 MR. KELLY: Can we discuss it next meeting?

13 CHAIRPERSON CLEMENT: Yes. I don't think there
14 is any difficulty putting it on the meeting date on the
15 next agenda for discussion, so we will add that. Okay.

16 Any other public comments? Okay. I'm working
17 with Al Johnson on putting together a comprehensive
18 schedule for the year. The first one that came out had
19 some pretty bizarre meeting dates, so what we're going to
20 try to do is keep the UST Policy Commission meeting the
21 4th Wednesday of the month so there is not any confusion,
22 except for Thanksgiving week, and we may not be able to
23 meet in this room for the latter part of the year, but
24 we're going to try to find an alternative location and
25 then we will get a comprehensive schedule out for

1 everybody, it has both the Financial and Technical
2 Subcommittees and the Policy Commission meeting.

3 But the next meeting for the Policy Commission,
4 and this is firm, is February 22nd in this room, and at
5 this point in time it will start at 9 a.m. and then we
6 will have a discussion about any future changes to that
7 scheduling at the next meeting.

8 Boy, I just want to thank all of the Commission
9 members for being here today. It's a great way to start
10 the year. And then if you would in the future, when I
11 send out -- because we've had a few meetings where we were
12 nip and tuck -- that's probably not the right words, but
13 where we weren't sure we were going to have enough
14 Commission members for an actual meeting. So just be sure
15 to let me know, particularly if you are not going to be
16 here, so that I can keep an accurate count and make sure
17 we're going to have a quorum before the meeting starts.

18 So, on that note, happy New Year everybody,
19 welcome to 2006, and thank you very much.

20 The meeting is adjourned.

21 (10:11 a.m.)

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C E R T I F I C A T E

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I HEREBY CERTIFY that the proceedings had
upon the foregoing hearing are contained in the shorthand
record made by me thereof and that the foregoing 56 pages
constitute a full true and correct transcript of said
shorthand record all done to the best of my skill and
ability.

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DATED at Phoenix, Arizona, this 25th day of
January, 2006.

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Deborah J. Worsley Girard
Certified Reporter
Certificate No. 50477